



## Information Technology Investment Board Finance & Audit Committee

### MINUTES

August 10, 2005

**Members Present:**

Jim McGuirk,  
Jimmy Hazel  
Scott Pattison - Chair  
Walter Kucharski

**Members Absent:**

Mary Guy Miller

**ITIB Members Present:**

The Honorable Eugene Huang

**VITA Staff Present:**

Lem Stewart, Commonwealth Chief Information Officer  
Cheryl Clark, Deputy CIO  
Austin Matthews  
Peggy Ward  
Karen Robinson  
Suzanne Piland

**Call to Order:**

Mr. Pattison, Chair, called the meeting of the Information Technology Investment Board Finance and Audit Committee to order at 10:05 a.m. Four of the five committee members were present.

**Approval of Minutes:**

*On motion made, seconded and unanimously carried, the minutes of the June 6, 2005 meeting were approved as presented.*

**Finance Report**

The Finance Report, presented by Karen Robinson, provided information on FY 2005 Year-end Update, Rates for New and Shared Services, Savings Methodology Update and VITA Initiatives Financial Benefits Report.

FY 2005 Year-end Update:

June 2005 financial activity resulted in a positive cash flow in excess of \$17 million and an early pay off of the \$1million Treasury loan. Year end financial reports will be finalized in late August.

Rates for New and Shared Services

Customer impacts led VITA to defer its plans to implement shared services rates until PPEA vendor proposals have been evaluated. Since general fund

amendments were not approved in the 2005 session, draft rates for statewide governance activities will be available to agencies to use for 06-08 budget requests with presentation of those rates to JLARC in October, 2005. .

JLARC has approved a delegation to its Internal Service Fund Subcommittee to grant interim approval of rates at regular meetings in May and November or VITA may request a special meeting of the Subcommittee as needed.

#### Savings Methodology

The ITIB approved VITA's savings initiatives benefits methodology at its June 2005 meeting and has submitted to the Secretary of Finance for approval.

#### VITA Initiatives Financial Benefits Report

Updated FY 2005 cost savings projections were provided and are expected to increase as year end data becomes available.

### **Internal Audit Activities**

Peggy Ward provided information on the 2005 APA Performance Audit Actions, 2004 APA SAS 70 Audit Actions, 2005 IAS Small Purchase Card Audit Actions, and Internal Audit Services Workplan.

#### 2005 APA Performance Audit Actions Update

Ms. Ward reviewed the August 2005 status update and noted that 4 items (#6, 7, 11, & 12) have revised due dates. The remaining 9 recommendations are reported to be on schedule or are complete. The Committee expressed their concerns with the revised dates particularly with the two related to Security.

*On motion duly made, seconded and unanimously carried, the Finance and Audit Committee approved revisions to the 2005 APA Performance Audit Actions Plan.*

#### 2004 APA SAS 70 Audit Actions Update

Of four recommendations, three are complete and the one remaining (#2) is on target for completion by 9/15/05.

*On motion duly made, seconded and unanimously carried, the Finance and Audit Committee approved the 2005 APA SAS 70 Audit Action Plan.*

#### 2005 IAS Small Purchase Card Actions

Department of Accounts reports significant improvement in percentages of small purchase card usage from 17% to 22%. Further progress is anticipated as telco expenses are excluded from calculations and use through eVA is implemented. Many action items have revised due dates and are now targeted for completion by 9/30/05. Most are related to a policy revision that is close to completion. The Committee discussed the reasons for the revised dates as well as the actions required to achieve a higher compliance rate.

*On motion duly made, seconded and unanimously carried, the Finance and Audit Committee approved the 2005 IAS Small Purchase Charge Card Review Action Plan.*

#### Internal Audit Services Activities

Ms. Ward presented the Summary of Audit Workplan 2005 reflected the status of activities as of August 1, 2005. Three of four positions have been filled and a second round of interviews are scheduled for the remaining Senior Auditor position. These staffing delays have caused slippage in project initiations and completions. Staffing levels will be evaluated again in the fall to assess the impact of transformation and other audit demands. The Committee asked Ms. Ward to provide a summary of major special projects in the future.

**Other Business**

None

**Public Comment**

None

**Adjourn**

On motion duly made, seconded and unanimously carried, the committee meeting adjourned at 10:55 a.m.